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Country programme outline for Djibouti (2003-2007)

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I. Situation analysis

1. The Republic of Djibouti has an area of 23,000 km^2 and a population of 620,000, over 70 per cent of whom live in the capital city. It experienced a political crisis that plunged it into a fratricidal war. Recent political overtures have helped the return to peace, but the country still faces a difficult post-conflict situation, the main challenges of which are the repair of the social fabric, economic recovery, social development and decentralization of power. Djibouti has an arid climate and is vulnerable to natural disasters such as droughts and floods. Exploitable resources are scarce and tend to deteriorate rapidly because of the fragility of the physical environment. Situated at the crossroads between the Arab world, Africa and the Indian Ocean, Djibouti occupies a key position at the heart of international strategic operations to combat terrorism.

2. Per capita gross domestic product (GDP) is estimated at $450. With a human development indicator estimated at 0.447 in 1999, Djibouti ranks 137th out of 162 countries, according to the *Human Development Report 2001*. The household survey and other available sources analysed for the 2002 common country assessment indicate that the human development situation is characterized by:

(a) Poverty and extreme poverty affecting 45 per cent and 10 per cent respectively of the population;

(b) A low rate of school enrolment (35 to 40 per cent) and a high rate of illiteracy (42.7 per cent);

(c) A life expectancy of 50 years and concerns about women's and children's health, given the high rates of infant mortality (114 per 1,000) and maternal mortality (740 per 100,000 live births) and the fact that 33 per cent of the population has no access to safe drinking water;

(d) An HIV/AIDS rate estimated at 11.7 per cent. Vulnerability to HIV/AIDS is due mainly to the country's position at a crossroads, as well as to the place occupied by women within the couple;

(e) Mass unemployment affecting 45 per cent of young people and a female population that is particularly vulnerable. Persistent poverty, very limited access to basic social services and cultural constraints all prevent women from being a dynamic force for development.

3. In the area of human rights, the country has ratified a number of international conventions, including the Convention on the Elimination of All Forms of Discrimination against Women and the African Charter on Human and Peoples' Rights, and has passed a series of laws that strengthen guarantees for protection of the inalienable rights of the human person enshrined in the Constitution. The situation of women remains precarious because of society's cultural constraints.

4. The 1996-1999 structural adjustment programme, supported by the International Monetary Fund (IMF), helped reduce the budget deficit, but at the cost of a contraction in wages that caused household incomes to drop by close to 30 per cent. With the implementation of a Poverty Reduction and Growth Facility, the main objective of the second phase of this programme is to reallocate resources to priority social sectors and to carry out a series of structural reforms intended to improve economic and administrative governance. The Government has launched a process

of political and administrative reforms designed to regulate a globalizing economy, the essential strategic goals of which are State disengagement from the production sector, decentralization in favour of regional development, an independent judiciary, financial transparency and the participation of civil society in the decision-making process.

II. Past cooperation and lessons learned

5. The previous programme stressed three areas of concentration: (a) economic stabilization and restructuring; (b) rehabilitation, social stabilization and poverty reduction; (c) environmental conservation. The publication by UNDP of the first national report on sustainable human development fostered public debate and strengthened dialogue and advocacy. In the initial stages, UNDP assisted in the formulation of policy instruments, particularly in the areas of women's integration, environment and more recently, information and communication technologies (ICT). The rehabilitation programme played an essential socio-political role in peace-building and laid the foundations for the decentralization process. Later, UNDP experimented with participatory approaches to cooperation with communities, including an urban social housing programme and a series of micro-projects for the rehabilitation of socio-economic infrastructure. As recommended by the internal review, several of these pilot activities could be replicated.

6. Only limited support was provided to non-governmental organizations and associations, as the network of associations in Djibouti was still in its infancy. Nevertheless, the steering and management committees established in the context of rehabilitation activities demonstrated the potential that exists in this area. The programme of support for governance, on the other hand, failed to achieve all its goals because of a lack of coordination and monitoring on the Government's part. In general, the previous cooperation programme suffered from the absence of a programme approach.

III. Proposed programme

7. The proposed programme is part of the United Nations Development Assistance Framework for Djibouti 2003-2007, which focuses on four major areas: (a) poverty and social development; (b) promotion of good governance and human rights; (c) promoting sustainable health and controlling the spread of HIV/AIDS and other communicable diseases; and (d) conservation and sound use of water resources. UNDP efforts will focus on two areas: (a) poverty reduction; and (b) governance and human rights. HIV/AIDS and the environment will be addressed under poverty reduction, while gender will be considered a cross-cutting issue. These areas coincide with the Government's priorities as set out in the Act on economic and social policy 2001-2010 and in the poverty reduction strategy paper (PRSP). Since UNDP core resources for the period 2003-2007 are limited, they will be allocated giving priority to: (a) policy- and strategy-making activities in the areas of poverty reduction and governance, supported by some targeted field initiatives aimed at validating the policies chosen; and (b) strategic initiatives that could act as catalysts for the development of larger-scale initiatives. The implementation of the

programme's other components will take place as and when the additional resources to be mobilized become available.

Poverty alleviation

8. Djibouti is becoming poorer, mainly because of the armed conflict, which brought the country's development to a standstill, a narrow productive base, the concentration of human and financial resources in the capital city, women's and young people's lack of integration in the national effort, environmental degradation, the HIV/AIDS epidemic and, more fundamentally, weaknesses in defining and implementing development policies. The UNDP poverty reduction strategy will focus on: (a) sectoral policy formulation and implementation; (b) post-conflict reconstruction and local/regional development; (c) environmental management.

9. *Support for the process of formulating and implementing sectoral poverty reduction policies*. The Government has requested UNDP to play a more active role in the coordination of the PRSP process, which is a key exercise for ensuring coherence in the actions of development partners. Support is planned in the form of advisory services to clarify strategic choices, as well as assistance in building a national PRSP implementation, monitoring and evaluation capacity. In order to influence these strategic choices, a particular effort will be made to collect and analyse statistical data through the establishment of a poverty observatory. Partnerships will be established to that end with the main organizations concerned, including the World Bank and the African Development Bank. Intended outcomes include greater institutional capacity to internalize the PRSP implementation process and mechanisms, intersectoral coordination and the production of statistics to support policy formulation. In this context, UNDP will assist the Government in implementing the Millennium Development Goals and recommendations.

10. *Post-conflict reconstruction and local/regional development*. In line with the peace agreements, the political decentralization process will be accompanied by local development activities carried out with the active participation of local communities and governments. This programme will ensure that the rehabilitation/reconstruction of social, economic and housing infrastructures, the reintegration of displaced populations, local economic development and job creation are conducted from a sustainable local development perspective. Its strategy will focus on peace-building through the establishment of mechanisms for dialogue and coordination among the various communities; strengthening of civil society and local institutions; development of essential social services; and micro-business promotion and employment- and income-generating activities. The intended outcomes are improved living conditions and greater capacities for initiative among local populations.

11. *Support for the environmental management process*. This programme will support the implementation of the national environmental action plan and the plan of action to combat desertification, inter alia, to help the country fulfil its global environmental commitments. Its strategy will focus on sound natural resources management. The partnership with the Global Environment Facility will be consolidated and expanded, inter alia, in the areas of renewable energy sources, including geothermal energy, and conservation/sustainable use of biological

resources, particularly the Forêt du Day. UNDP will also assist in formulating a natural disaster management strategy.

12. *HIV/AIDS and sustainable health.* In keeping with the activities of the United Nations Joint Programme on HIV/AIDS, UNDP will provide support in the form of advocacy activities to raise decision-makers' awareness about the disease. A study on the socio-economic impact of HIV/AIDS will be conducted with the various partners. Specific activities will also be considered at the regional level, as part of the UNDP regional project.

Governance and human rights

13. Djibouti faces a number of problems that have an impact on governance and human rights: excessive centralization of power, deficient public sector management, low productivity of civil servants, inappropriate institutional and legal framework and weaknesses in the protection of human rights. UNDP will develop a programme approach covering three dimensions of governance — local, administrative and economic — as well as human rights.

14. *Local governance.* Public participation in the decision-making process and in local development is one of the country's priority objectives and forms part of the decentralization process begun by the State and embodied in a law adopted by the National Assembly. UNDP will endeavour to build the management and planning capacities of local development institutions and actors at the regional, local and national levels.

15. *Administrative governance.* UNDP assistance will focus on supporting institutional reforms to modernize and build the administration's management capacities and bringing the administration closer to the people. Inter alia, assistance will be provided in building the capacities of the Office of the Ombudsman. The goal will be to instil at all levels of the administration the idea of accountability to users. UNDP will also continue its assistance in the area of ICT, with the goals of integrating these technologies more fully in the development process and enhancing the efficiency of the civil service. Cooperation with the private sector will be sought in this regard.

16. *Economic governance.* The Government's strategy is to make Djibouti a thriving economic pole in the regional and global integration process. UNDP will support the Government in its efforts to put in place and organize the legal framework needed to stimulate the production and trade sectors and strengthen investment promotion structures. In partnership with the World Bank, the World Health Organization, the United Nations Conference on Trade and Development, the International Trade Centre and IMF, UNDP will continue its pivotal role within the "integrated framework" initiative, which is intended to develop the national trade sector with a view to increasing the country's participation in world trade. Taking into account the predominance of the tertiary sector in GDP, the goal of this initiative is to restore economic growth and stimulate job creation. Possible cooperation with two initiatives — the Tokyo International Conference on African Development and the New Partnership for African Development — will be sought within the framework of this programme.

17. *Human rights*. The Government's recognition of the persistence of certain weaknesses that can be attributed to lack of capacities, and doubtless to the absence of institutional mechanisms at the government level, justifies UNDP support. In accordance with the overall objective of integrating human rights into sustainable human development, this support will mainly involve activities in the areas of advocacy and awareness-raising among political decision makers and civil society, with a view to consolidating and pursuing accession to and ratification and application of all the international conventions that are an integral part of the corpus of treaties on the protection of human rights.

Cross-cutting development issues

18. *Gender*. This issue will be addressed in the specific framework of the projects to be carried out. More specifically, support will be provided for financing pilot demonstration projects aimed at improving economic and social conditions. Priority will also be given to advisory services in support of the implementation of the strategy of integrating women in development and to capacity-building for the promotion of gender equity and for women's associations.

Partnership and resource mobilization strategy

19. In general, UNDP support will be part of a targeted strategic approach aimed at coordinating and utilizing the synergies and complementarities between its own actions and those of agencies of the United Nations system and major bilateral and multilateral donors. From this perspective, advocacy and communication will be the preferred tools at all levels of intervention.

20. Resource mobilization will be conducted systematically throughout the process, from programme and project formulation onwards, in cooperation with the Government and the various partners involved in the selected areas of concentration. Given the low level of core resources for this country programme, strategic interventions intended to act as catalysts will be given preference. Experience has shown that the country office must gain the confidence of its partners by demonstrating its know-how based on tangible results. To do so, the office will continue current efforts to diversify its methods of intervention in order to offer its partners an attractive and constructive cooperation framework. Among the means to be employed to facilitate resource mobilization, the country office will place particular emphasis on an information and communication strategy, regular field visits, greater flexibility and adaptability to the requirements of partners, and the development of relations with partners that are not resident in Djibouti.

21. Existing cooperation and that in the pipeline, for instance, with the European Commission, will be consolidated. There will be a special effort to develop new partnerships, particularly with international and regional financial institutions such as the African Development Bank, the Islamic Development Bank, the Economic Commission for Africa and the Arab Fund for Economic and Social Development. Close cooperation will also be established with UNDP regional programmes and other regional initiatives, such as those implemented through the Intergovernmental Authority on Development, and partnerships will be sought with the private sector.

IV. Programme management, monitoring and evaluation

22. *Management.* The programme approach will permit a greater concentration of resources and a more targeted framework for activities. Particular attention will be paid to ensuring the programme's overall coherence and to promoting synergy. Coordination and consultation mechanisms will be established with a view to harmonizing the activities of each programme. Policy decisions and guidelines upstream should have a significant impact on projects in the field, which will help to validate the strategies chosen. UNDP will try to encourage the establishment of a national advisory committee made up of eminent citizens specialized in the country programme's areas of concentration. Such a committee could take over from UNDP and provide positive guidance for the Government's development policy choices.

23. The entire programme will be implemented according to the principles of results-based management. The programming and operational capacities of the UNDP office in Djibouti will be strengthened, with the support of UNDP Headquarters, particularly the Regional Bureau for Arab States, and the Subregional Resource Facility. Preferred partnerships will also be developed with other UNDP offices that are able to support the strengthening of the Djibouti country office.

24. For the most part, programme delivery will be through the national execution modality and/or through United Nations specialized agencies. When circumstances so warrant, UNDP could also use the direct execution modality. Selective or systematic training activities for national execution could also be conducted using partner civil services.

25. *Monitoring and evaluation.* The goals, content and intended outcomes of this country programme will be evaluated systematically, in particular in the light of the goals and indicators given in the Common Country Assessment and the Development Assistance Framework. The results achieved will be evaluated annually on the basis of the indicators given in the UNDP Strategic Results Framework and included in the results-based annual report. They will be monitored regularly at the project and programme level. For each of the intended outcomes, a partnership strategy will be defined that will include a monitoring system. Coordination and consultation mechanisms will be created, in agreement with the authorities in Djibouti, to allow joint monitoring of the entire programme. These mechanisms will be based on an annual review conducted with the various ministerial departments, within the framework of a Government-UNDP monitoring committee coordinated by the Minister for Foreign Affairs and International Cooperation.

Annex

Results and resources framework for Djibouti (2003-2007)

Strategic area of support	Intended outcomes	Indicators of outcome or purpose	Outputs, including key output indicators where needed	Resources by strategic areas of support/outcome or programme area
UNDAF Goal 1	**Build the institutional and management capacities of various public structures in the legislative, executive and judicial branches and those representing civil society (private sector and NGOs)**			
Political, legal and regulatory reforms to support the private sector	Private sector capable of being a driving force for economic growth and development	Establishment of an institutional and legal framework to foster the development of the private sector (2002 = no framework; 2007, framework established)	1. Study and evaluation of the tax system 2. Revision of investment and tax codes to take into account small and medium enterprises (SME) 3. Cultivation of small businesses 4. Advocacy for good governance	*Core resources:* Target amounts for allocation of core resources (TAACR) 1.1.1 345
			Subtotal	**345**
Capacity and partnership between local governments and organizations of civil society	Decentralized development planning capacity in place and community participation introduced	Regional development plans available Higher level of participation by local communities in regional development	1. Regional development plans elaborated and adopted 2. Training of local government officials	*Core resources:* TAACR 1.1.1 50 *Other resources:* Capacity 21 225 UNDP trust fund: 100 Third party cost-sharing: 1 000
			Subtotal	**1 375**
Efficiency and accountability in public administration	Improved administrative governance	Reduction in the number of conflicts between the administration and clients Administration on line	1. Establishment of sound administrative policies for the management and promotion of human resources 2. Strategy for the integration of ITC in the development process	*Core resources:* TAACR 1.1.1 150 *Other resources:* Third party cost-sharing: 500
			Subtotal	**650**
UNDAF Goal 2	**Integration of human rights issues into national development strategies and the domestic legal system**			
Promotion of human rights	Greater recognition and consideration of human rights in national development plans and in civil society as a whole	Integration of the provisions of ratified conventions into the domestic legal system	1. Procedures and mechanisms for monitoring human rights issues elaborated and adopted 2. Human rights training of members of the judiciary 3. Establishment of associations active in the promotion of human rights	*Core resources:* TAACR 1.1.1 100 *Other resources:* UNDP trust fund: 100
			Subtotal	**200**
UNDAF Goal 3	**Build institutional capacities to implement poverty reduction policies**			
Monitoring and evaluation of poverty and inequality in accordance with the Millennium Development Goals	Improved government capacity to formulate, monitor and measure poverty and inequality	Absence of a system of information and statistics on poverty (2002 = information dispersed; target 2007 = information available and accessible to the public) Absence of an effective system for coordinating poverty reduction policies	1. Strengthening of the poverty observatory created by the Government 2. Poverty map drawn up 3. Training of national officials 4. Intersectoral coordination mechanisms rethought and established 5. PRSP finalized in consultation with civil society 6. Advocacy for poverty reduction	*Core resources:* TAACR 1.1.1 455 *Other resources:* UNDP trust fund: 100
			Subtotal	**555**

Strategic areas of support	Intended outcomes	Indicators of outcome or purpose	Outputs, including key output indicators, where needed	Resources (by strategic areas of support/outcome or programme area)	
UNDAF Goal 4	**Promote the social and economic development of the regions**				
Access by the population to resources and basic social services	Strengthened capacity in the regions and improved living conditions for the population	Establishment of a local planning process at the regional level (2002 = no local development plans; target 2007 = development planning and resource allocation in the regions) Development and rehabilitation of socio-economic infrastructure based on a strategy of economic recovery for the population of the regions	1. Strengthened local administrations 2. Local planning introduced 3. Poverty reduction programme established 4. Improved living conditions for the population	*Core resources:* TAACR 1.1.1 TAACR 1.1.3 *Other resources:* Third party cost-sharing: European Union; trust fund:	 40 300 2 000 2 000
			Subtotal		**4 340**
UNDAF Goal 5	**Strengthening of prevention and care of communicable diseases, HIV/AIDS**				
Strategy to combat HIV/AIDS	Capacity-building of the Government and organizations for the execution of programmes to combat HIV/AIDS	Annual reports issued Number of organizations involved in combating HIV/AIDS Significant reduction in the rate of HIV/AIDS (2002 = 11.7 per cent)	Support in defining and formulating policy guidelines for combating HIV/AIDS	*Core resources:* TAACR 1.1.1 *Other resources:* UNDP trust fund:	 100 150
			Subtotal		**250**
UNDAF Goal 6	**Protection of the environment**				
Institutional framework for sustainable management and the environment and energy development	Improved capacity for managing the environmental process and energy resources	Information on the environment put on the web Establishment of a legal and institutional framework for the management of geothermal energy Strengthened intersectoral coordination Ratification of international conventions	1. Technical assistance to facilitate the implementation of the country's global commitments in the area of the environment 2. National officials trained	*Core resources:* TAACR 1.1.1 TAACR 1.1.3 *Other resources:* UNDP trust fund: EMF trust fund:	 46 200 206 1 200
			Subtotal		**1 652**
			Totals	*Core resources:* TAACR 1.1.1 TAACR 1.1.3 **Subtotal** *Other resources:* **Subtotal** **TOTAL**	 1 286 500 **1 786** **7 581** **9 367**